

GWG Bankruptcy Update: Judge Denies L Bond Compensation Proposal as Not Specific Enough

KlaymanToskes Reports Bankruptcy Judge Denies Compensation Proposal as Not Providing L Bondholders with Enough Information To Make An Informed Decision

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investment fraud lawyers

[KlaymanToskes](#) reports that in

yesterday's Chapter 11 bankruptcy

hearing for GWG Holdings, Inc. (Case

No. 22-90032), Judge Isgur denied

GWG's Disclosure Statement as the

compensation proposal was not

specific enough for investors to make

an informed decision about their

potential recovery. The proposal,

stating compensation is contingent on

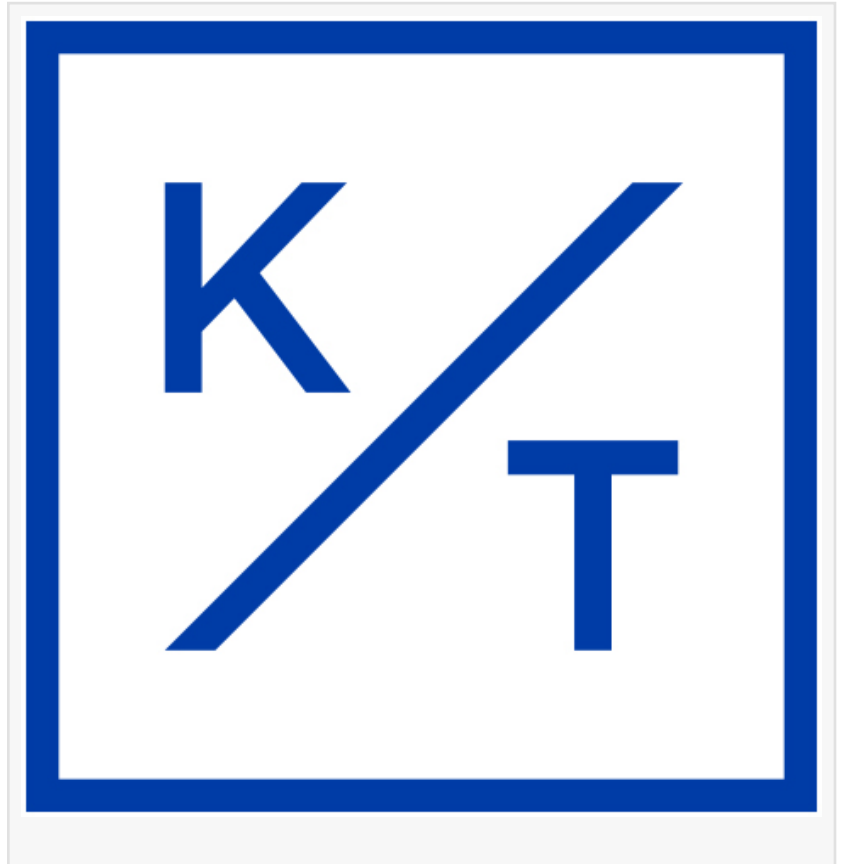
a SPAC merger and the result of

litigation against other parties, left L Bondholders with no clear understanding of what they

stand to receive. Even with revisions to the Disclosure Statement, GWG may only be able to

provide a range of potential recovery percentages for bondholders. KlaymanToskes stresses the

importance of L Bondholders pursuing other legal options to [recover their investments](#).



GWG Holdings' plan is to reimburse L Bondholders with proceeds from a SPAC merger and recoveries from litigation against other parties. Special Purpose Acquisition Companies (SPACs), also known as "Blank Check" Companies are created specifically to pool funds in order to finance a merger or acquisition opportunity within a set time frame. SPACs are historically risky and tend to fail due to the nature of the deals. Additionally, GWG disclosed that its Trustee will be suing other parties in hopes of recoveries to pay back bondholders, however, litigation can take many years to resolve.

Considering GWG has been in bankruptcy since April 2022, the Trustee is still uncertain of the compensation plan, and the years it typically takes to litigate, KlaymanToskes believes FINRA arbitration claims against the financial advisors and brokerage firms that recommended the investment is a necessary recovery option in addition to the bankruptcy.

KlaymanToskes is currently representing GWG L Bondholders throughout the country in FINRA arbitration claims against the brokerage firms and financial advisors that recommended the unsuitable investment. Investors should immediately contact attorney [Lawrence L. Klayman](#), Esq. at (888) 997-9956 or lklayman@klaymantoskes.com for a free consultation to discuss recovery options. We do not collect attorney's fees unless we are able to obtain a financial recovery.

About KlaymanToskes

KlaymanToskes is a leading national securities law firm which practices exclusively in the field of securities arbitration on behalf of retail and institutional investors throughout the world in large and complex securities matters. The firm has recovered over \$250 million in FINRA arbitrations and over \$350 million in other securities litigation matters. KlaymanToskes has office locations in California, Florida, New York, and Puerto Rico.

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